

[By Bob Kinzel](#)

(Host) Congressman Peter Welch has launched a bi-partisan effort to reduce Medicare costs by nearly \$160 billion over the next 10 years.

Welch is joining together with Republican Congresswoman JoAnn Emerson of Missouri to allow the federal government to negotiate prices for prescription drugs that are bought under the Medicare Part D program.

When the pharmaceutical assistance plan was passed in 2004, the law expressly prohibited the federal government from negotiating with the major drug companies over the cost of their products.

Welch says the Veterans Administration has such power and he thinks expanding the authority to the Medicare program could save a lot of money over the next 10 years.

*(Welch) "We have this absurd situation where the taxpayer buys wholesale but pays retail and there's no other situation where that would be allowed. It's just a real waste of money...and it means that we're paying on average about 58% more for prescription drugs than the VA where the VA is able to do price negotiations."*

(Host) Welch says his plan is one way to help make Medicare more financially sustainable without cutting essential benefits.

*(Welch) "I think those of us who are strong supporters of Medicare have the major responsibility to kick the tires and make certain that it's efficient, that we're spending money wisely and we're not paying more than we should. So this is a way, I think, to make Medicare more solid and save taxpayers money."*

(Host) Welch is hoping that the plan will be included in a final budget deficit reduction package being negotiated between Vice President Joe Biden and Republican Congressional leaders.